

**Before the
Public Service Commission of South Carolina
Docket No. 2012-4-G**

**Annual Review of Purchased Gas Adjustment and Gas Purchasing Policies
of
Piedmont Natural Gas Company, Inc.**

**Settlement Testimony
of
Robert L. Thornton**

**On Behalf Of
Piedmont Natural Gas Company, Inc.**



July 2, 2012

1 **Q. Mr. Thornton, please state your name, business address, and**
2 **occupation.**

3 A. My name is Robert L. Thornton. My business address is 4720 Piedmont
4 Row Drive, Charlotte, North Carolina. I am the Director of Gas and
5 Regulatory Accounting for Piedmont Natural Gas Company ("Piedmont" or
6 the "Company").

7 **Q. Are you the same Robert L. Thornton who prefiled direct testimony in**
8 **this docket on June 11, 2012?**

9 A. Yes, I am.

10 **Q. Mr. Thornton, have you previously testified before this Commission or**
11 **any other regulatory authority?**

12 A. Yes, I have previously testified before this Commission and other regulatory
13 authorities on a number of occasions.

14 **Q. What is the purpose of your settlement testimony in this proceeding?**

15 A. I will discuss and offer testimony in support of the Settlement Agreement
16 reached by the parties of record ("Parties") in the Annual Review of
17 Purchased Gas Adjustment and Gas Purchasing Policies of Piedmont.

18 **Q. Please describe the Settlement Agreement reached by the Parties and**
19 **filed with the Commission on July 2, 2012.**

20 A. The Settlement Agreement affirms the Parties concurrence that:

- 21 1) Piedmont's gas purchasing policies and practices during the Review
22 Period were reasonable and prudent;

1 2) Piedmont properly adhered to the gas cost recovery provisions of its gas
2 tariff and relevant Commission Orders during the Review Period;

3 3) Piedmont managed its hedging program during the Review Period in a
4 reasonable and prudent manner consistent with Commission Orders; and

5 4) The end-of-period balances for Piedmont's hedging and deferred gas
6 cost accounts are those reflected in the testimony of the Office of
7 Regulatory Staff ("ORS") witness Daniel F. Sullivan.

8 **Q. Is it the opinion of Piedmont that the Commission's approval of the**
9 **Settlement Agreement is in the interest of Piedmont and the public**
10 **interest?**

11 A. Yes. Following extensive review, examination, and discussions between
12 Piedmont and the ORS, both Parties agreed to each of the matters stipulated
13 above. The Settlement is offered by all Parties as a fair, reasonable and full
14 resolution of all issues in this proceeding as signified by all parties being
15 signatories to the Settlement Agreement. Piedmont believes that the
16 Settlement Agreement reached by the Parties in this docket balances the
17 concerns of the using public while preserving the financial integrity of
18 Piedmont and that the Settlement Agreement does not inhibit economic
19 development.

20 **Q. What is your recommendation to the Commission with respect to the**
21 **Settlement Agreement?**

22 A. Piedmont recommends that the Commission approve the Settlement
23 Agreement filed in this proceeding.

1 **Q. Does this conclude your testimony?**

2 A. Yes it does.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached documents are being served this date via email and UPS Overnight (via email and U.P.S. Overnight) upon:

Nanette S. Edwards
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
nsedwar@regstaff.sc.gov

And that a copy of the attached documents are being served this date via email and U.S. Mail upon:

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This the 2nd day of July, 2012.

s/ James H. Jeffries IV
James H. Jeffries IV